C8910-1 A
2/12/88

Military Market

MAGAZINE FOR THE MILITARY RESALE SYSTEM | ARMY TIMES PUBLISHING COMPANY | FEBRUARY 1988 $4.00

THE JOINT CHIEFS OF RESALE

AN EXCLUSIVE INTERVIEW:
The Commanders Steel Themselves for the Upcoming Budget Cuts

MMMD20814 0388 3 02 C 01
CONG INFO SVC-STAT REF
KEVIN KENDRICK
4520 E WEST HWY-#800
BETHESDA MD 20814

contents

FEBRUARY 1988 **VOL. 39, NO. 2**

The joint chiefs of resale meet. — 17

Las Vegas is aurally satisfying. — 30

ON THE COVER: Brig. Gen. James S. Hayes of TSA; Rear Adm. Rodney K. Squibb of NAVRESSO; Maj. Gen. John E. Long of AAFES; Brig. Gen. Michael P. Downs of Marines' facilities and services; Maj. Gen. M. Gary Alkire of AFCOMS.

4 **News** — Resale ally Rep. Dan Daniel announces his retirement. Privatization and commissaries: A big topic with the executive branch and on Capitol Hill. Distributors may hire a Capitol Hill lobbyist. Test results are in — Troop Support cannot justify more joint-service deliveries. Two items on hold: Toshiba ban stalled; shelf stocking problem remains without a solution.

14 **Letters to the editor** — Telling it "like it is"; "ideas come across clear and bright."

17 **COVER STORY** — **The Joint Chiefs of Resale:** How they will cope with cuts.

26 **Market Report** — Frozen foods sales chill out.

30 **Market Report** — Live from Las Vegas: Here's the latest in consumer electronics.

38 **System of the Month** — A renaissance for the Veterans Canteen Service.

42 **Market Notes** — Some history and words of advice about magazine circulation.

44 **Supplier Notes/ Troop Maneuvers**

45 **Military Market Index**

46 **Calendar/Classified**

47 **Com-Ex Comix/Ad Index**

48 **The Last Word**

Please turn to the last page of the magazine to read "the last word," the editor's new page for commentary.

COVER DESIGN BY PAUL JORDAN; COVER PHOTO BY KATE PATTERSON

Military Market
serving the military resale system

EDITOR
Nancy Tucker

MANAGING EDITOR
Robert A. Devaney

ASSOCIATE EDITORS
Beverly Jones, Gregory Wright

OFFICE MANAGER
Pattie Lykins

NEWS SERVICE
P. J. Budahn, Editor; Rick Maze, Vesta Kimble, Marie Ferrey, Grant Willis, John Burlage

GRAPHICS EDITOR
Donna M. Peterson

ART DIRECTOR
Miriam MacPherson

STAFF PHOTOGRAPHERS
Kate Patterson, Geoffrey S. Baker, William S. Kalis

ADVERTISING MANAGER
Herbert Jacobs

CIRCULATION MANAGER
Joan C. Gleoggler

ADVERTISING PRODUCTION
Ann-Marie Saunders

EDITORIAL PRODUCTION
Don Ponton

EXECUTIVE OFFICES
6883 Commercial Drive
Springfield, Virginia 22159-0210
(703) 750-8676

ADVERTISING SALES OFFICES
1 Citicorp Center
153 East 53rd Street
New York, New York 10022
(212) 753-1040

EXECUTIVE EDITOR
James S. Doyle

ADVERTISING DIRECTOR
Nat Kornfeld

Copyright 1988, The Times Journal Co., Army Times Publishing Co. — Trade Division. The material in this publication is copyrighted and may not be reproduced in whole or part without written permission of the publisher.

MILITARY MARKET (USPS 911-580): Published 12 times a year by the Army Times Publishing Co., a division of The Times Journal Co., Springfield, Va. 22159-0210. Single copies: $4; except January Buyers Guide, July Directory: $10 each. Subscriptions: 1 year, $35 (outside U.S., $45.); 2 years, $60 (outside U.S., $75); 1 year, outside U.S. via airmail, $180. Second class postage paid at Springfield, Va., and additional mailing offices.
POSTMASTER: Send address changes to Military Market Magazine, Springfield, Va. 22159-0210.

Military Market index

COMMISSARIES

		OCTOBER			YEAR TO DATE		
		CY'87	CY'86	% CHANGE	CY'87	CY'86	% CHANGE
	CONUS	$175,174	$165,386	5.92	$1,616,063	$1,559,134	3.65
	OVERSEAS	38,265	32,601	17.37	345,431	301,754	14.47
AIR FORCE	TOTAL	**213,439**	**197,987**	**7.80**	**1,961,495**	**1,860,889**	**5.41**
	CONUS	123,795	115,185	7.47	1,129,275	1,096,095	3.03
	OVERSEAS	45,360	38,430	18.03	400,155	356,790	12.15
ARMY	TOTAL	**169,155**	**153,615**	**10.12**	**1,529,430**	**1,452,885**	**5.27**
	CONUS	59,599	57,224	4.15	629,046	601,751	4.54
	OVERSEAS	6,958	6,667	4.36	70,404	67,683	4.02
NAVY	TOTAL	**66,557**	**63,891**	**4.17**	**691,451**	**668,434**	**3.44**
	CONUS	14,892	14,603	1.98	135,285	138,474	-2.30
	OVERSEAS	361	274	31.75	2,829	2,620	7.98
MARINE CORPS	TOTAL	**15,254**	**14,876**	**2.54**	**139,115**	**141,094**	**-1.40**
	CONUS	242	291	-16.84	2,503	2,580	-2.98
	OVERSEAS	284	280	1.43	3,021	2,905	3.99
COAST GUARD	TOTAL	**526**	**571**	**-7.88**	**5,523**	**5,485**	**0.69**
	CONUS	$373,702	$352,689	5.96	$3,512,172	$3,398,034	3.36
ALL	OVERSEAS	$91,228	$78,252	16.58	$821,840	$731,752	12.31
COMMISSARIES	TOTAL	**$464,930**	**$430,941**	**7.894**	**4,334,012**	**$4,129,786**	**4.95**
GROCERY STORES	*U.S.*[1]	*$25.969*	*$25.284*	*2.71*	*$251.661*	*$244.354*	*2.99*

EXCHANGES

		OCTOBER			YEAR TO DATE		
		CY'87	CY'86	% CHANGE	CY'87	CY'86	% CHANGE
	CONUS	$273,276	$246,917	10.68	$2,592,857	$2,386,805	8.63
	OVERSEAS	224,063	180,390	24.21	1,958,624	1,681,554	16.48
AAFES	TOTAL	**497,339**	**427,307**	**16.39**	**4,551,481**	**4,068,395**	**11.88**
	CONUS[2]	106,917	95,467	11.99	936,300	872,388	7.33
	OVERSEAS[2]	44,660	42,176	5.89	405,117	384,49	5.36
NAVY	TOTAL[2]	**151,577**	**137,643**	**10.12**	**1,341,417**	**1,256,884**	**6.73**
	CONUS	31,332	29,915	4.74	291,649	280,291	4.05
	OVERSEAS	5,127	4,990	2.75	50,258	48,683	3.24
MARINE CORPS	TOTAL	**36,459**	**34,906**	**4.45**	**341,907**	**328,974**	**3.93**
	CONUS[3]	6,739	6,877	-2.01	66,160	67,510	-2.00
	OVERSEAS[3]	502	512	-1.95	4,928	5,027	-1.97
COAST GUARD	TOTAL[3]	**7,241**	**7,389**	**-2.00**	**71,088**	**72,537**	**-2.00**
	CONUS[4]	1,274	1,318	-3.34	12,985	12,221	6.25
	OVERSEAS[4]	2,112	2,719	-22.32	21,674	30,207	-28.25
MAIL ORDER	TOTAL[4]	**3,386**	**4,037**	**-16.13**	**33,659**	**42,428**	**-20.67**
	CONUS	$419,538	$380,494	10.26	$3,899,951	$3,619,215	7.76
	OVERSEAS	$276,464	$230,787	19.79	$2,440,601	$2,149,967	13.52
ALL EXCHANGES	TOTAL	**$696,002**	**$611,281**	**13.86**	**$6,340,552**	**$5,769,182**	**9.90**
DEPARTMENT STORES	*U.S.*[1]	*$11.903*	*$11.001*	*8.20*	*$104.123*	*$98.377*	*5.84*

1) SOURCE: U.S. Department of Commerce. 2) Does not include sales of ship stores. 3) MM estimate, based on official data. 4) Includes consolidated sales for all services, including Coast Guard. NOTE: Individual figures may not add to totals because of rounding. All sales are expressed in millions (add 000), except grocery stores and department stores, which are in billions. Commissary sales include appropriate surcharges; exchange sales include concession volume.